

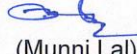
भारत सरकार/ Government of India
जल संसाधन मंत्रालय/ Ministry of Water Resources
(गंगा विंग/ Ganga Wing)
8th फ्लोर, 11th ब्लॉक, सीजीओ कॉम्प्लेक्स/ 8th Floor, 11th Block, CGO Complex,
लोधी रोड, नई दिल्ली/ Lodhi Road, New Delhi – 110003
सं. Z-14012/3/2013-Ganga/2302-2304 दिनांक/ dated 7th August 2014

Office Memorandum

Sub: Setting up of Pancheshwar Development Authority (PDA) for development, execution and operation of Pancheshwar Project

In pursuant to the Article 3 and 10 of the Mahakali Treaty 1996 between India and Nepal, approval of Government of India for setting up of the Pancheshwar Development Authority (PDA) for development, execution and operation of Pancheshwar Project in Nepal on river Mahakali (known as Sharda in India) is hereby conveyed.

The approved Terms of Reference (TORs) of PDA are annexed.


(Munni Lal) 6710

Sr. Joint Commissioner (Ganga)
9C

1. Foreign Secretary, Ministry of External Affairs, South Block, new Delhi
2. Secretary (Expenditure), Ministry of Finance, North Block, New Delhi
3. Secretary (Revenue), Ministry of Finance, North Block, New Delhi
4. Secretary (BM), Ministry of Home Affairs, North Block, New Delhi
5. Secretary, Ministry of Power, Shram Shakti Bhawan, New Delhi
6. Secretary, Planning Commission, Yojna Bhawan, New Delhi
7. National Security Advisor, PMO, South Block, New Delhi
8. Joint Secretary, PMO, New Delhi
9. Shri S.P.G. Varghees, Director (Cabinet section), Cabinet Secretariat, Rashtrapati Bhawan, N. Delhi w.r.t. his letter no. CCS/14/2014(i) dated 02.08.2014.
10. First Secretary (Com.), Embassy of India, Kathmandu, Nepal w.r.t. his email dated 05.08.2014 for onward transmission to Government of Nepal.

Copy for kind information to:

11. PS to Hon'ble Minister of Water Resources, River Development & Ganga Rejuvenation, Shram Shakti Bhawan, New Delhi
12. Sr. PPS to Secretary (WR,RD&GR), Shram Shakti Bhawan, New Delhi
13. Sr. PPS to Additional Secretary (WR,RD&GR), Shram Shakti Bhawan, New Delhi


7/8/14

PANCHESHWAR DEVELOPMENT AUTHORITY (PDA)

Terms of Reference (TOR) of PDA

1. The Government of India (GOI) and The Government of Nepal (GON) (hereinafter referred to as “the Parties”), have agreed at the 3rd meeting of the Joint Committee on Water Resources to set up the Pancheshwar Development Authority (hereinafter referred to as “the Authority”) pursuant to Article 10 of the Mahakali Treaty. The Authority shall act as an independent autonomous body. It shall have two Co-Chairpersons, one from each Party and twelve Members (six Members from each side) as per **Annexure – A**; which will be working as a Governing Body of the Authority. Among others, the Ambassadors of Nepal to India and India to Nepal shall be permanent invitees at the meeting of the Governing Body.
2. The Authority shall take immediate measures to finalize the Detailed Project Report of Pancheshwar Multipurpose Project (hereinafter referred to as “the Project”). Thereafter, the Authority shall undertake the execution, operation and maintenance of the Project, including the re-regulating dam at Rupaligad site in an integrated manner.
3. All powers of the Authority shall be vested in the Governing Body. The Governing Body may delegate all or any of its powers to the Executive Committee. The Executive Committee shall comprise of the Chief Executive Officer (CEO), Additional Chief Executive Officer (ACEO), Executive Director (Legal), Executive Director (Technical), Executive Director (Administration), Executive Director (Environment), Executive Director (Resettlement and Rehabilitation) and Executive Director (Finance) selected by the Authority having equal representations from each Party.
4. The Chief Executive Officer shall be in charge of the Project and shall act under direction, supervision and guidance of the Authority.
5. The CEO will be appointed by the Authority, either from India or Nepal, on competitive basis having requisite qualification, relevant experience and proven track record. Once appointed, he will function as the Member-Secretary of the Authority. The ACEO will be selected by the Authority, from the other country, on competitive basis and after appointment will function as the Member-Joint Secretary of the Authority.
6. The Authority shall have its headquarter at Mahendranagar, Nepal. The site offices as required shall be established in India and Nepal. Till such time the headquarter is set up at Mahendranagar, the Authority shall function from Kathmandu, Nepal. The other officers and staff required for the execution of

the Project will be decided by the Authority from the nationals of both the countries.

7. Authority shall frame its own rules of business. The Executive Committee shall assist the Governing Body in order to frame the required rules to regularize the administrative, technical, financial and organizational matters of the Project.
8. The Authority shall have an organizational set up for the implementation of the Project. To start the activities, the key personnel identified shall be selected and appointed by the respective Party. The supervisory and supporting staff to the key personnel would be either hired on contract or be outsourced.
9. The facilities created or installed in connection with the execution and operation of the Project shall be under the joint ownership. Such facilities shall include power plants of equal capacity on each side of the river. The power plants on either side shall be operated in an integrated manner and energy so generated shall be shared equally by both the Parties.
10. The joint ownership of the facilities shall not confer to any Party right of property nor jurisdiction over any part of the territory of the other Party. Neither does it imply alteration or change in the respective sovereignty over the Mahakali River.
11. An amount to be mutually decided by the Parties shall be provided equally as equity share to start the functioning of the Authority. Further fund requirements shall be met by the authority by drawing loans from financial institutions and/or by calling upon the Parties to contribute.
12. Both Parties, jointly or severally and in a manner they shall agree to, shall, at the request of the Authority guarantee any borrowing or contractual obligations the Authority may undertake.
13. The Authority shall be entitled to accept grants and to borrow money required for the completion of the Project. All amounts received by the Authority by way of equity, loan, grant, etc., from any source shall be credited to a fund called "Pancheshwar Development Fund". The Authority shall open a bank account for the Pancheshwar Development Fund, which shall be jointly operated under the signatures of Chief Executive Officer, Additional Chief Executive Officer and Executive Director (Finance) of which not more than two would be of the same country.
14. The annual requirement of funds shall be worked out by the Executive Committee and approved by the Governing Body in accordance with the schedule of construction and its progress.

15. Major procurement of works, goods and consulting services for the Project shall be made through competitive bidding. The Authority is entitled to enter into agreements which are necessary for the pursuance of the Project.
16. The Parties shall make available the required land for the Project construction, operation and maintenance. An integrated comprehensive plan for resettlement and rehabilitation of persons displaced by the Project shall be devised by the Authority keeping in view the legal requirement of both Parties.
17. No taxes, levies or contributions of any kind shall apply to materials and equipment acquired by the Authority in any of the two countries or imported by the Authority from third country for use in its works or installations. No restrictions of any kind shall apply to the movement or delivery of the materials and equipment required for the Project. Authority shall apply for and obtain the exemptions/ refunds on custom duties/ taxes/ levies from the concerned Government agency on each of the consignments of materials and/ or equipments acquired or imported by the Authority.
18. The personnel of the Authority and the executing agency shall, at all times, respect the laws of the land. However, no suit, prosecution or legal proceedings shall be instituted against any person in the employment of the authority or executing agency for anything done in good faith in discharge of official duties for the project.
19. The provisions set forth herein shall be the subject of approval of the respective Governments as the case may be. The matters not covered by this TOR shall be settled by mutual agreement of the two Governments.

Annexure –A

PANCHESHWAR DEVELOPMENT AUTHORITY

Indian side		Nepalese side
Secretary, MOWR, GOI	Co-Chairman	Secretary, MoEn, GON
Secretary/ Joint Secretary (Hydro), MOP	Member	Joint Secretary, MoEn
Joint Secretary (North), MEA	Member	Joint Secretary, Ministry of Foreign Affairs
Commissioner (Ganga), MOWR	Member	Director General, Deptt. of Electricity Development
JS & FA, MOWR	Member	Joint Secretary, Ministry of Finance
Principal Secretary (Energy), Govt. of Uttarakhand	Member	Director General, Deptt. of Irrigation
Chief Executive Officer / Additional Chief Executive Officer, PMP	Member	Chief Executive Officer / Additional Chief Executive Officer, PMP
Ambassador of India to Nepal	Special Invitee	Ambassador of Nepal to India
Chairman, Central Water Commission	Special Invitee	
Principal Advisor (WR), Planning Commission	Special Invitee	Joint Secretary, Water and Energy Commission
Principal Secretary / Secretary (WR), Govt. of UP	Special Invitee	Managing Director, NEA